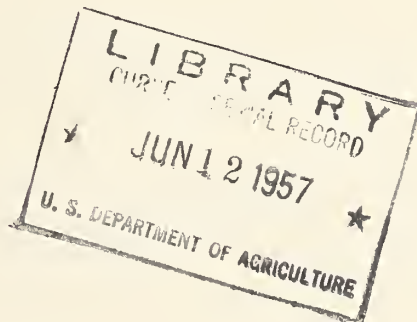


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Notes on

THE AGRICULTURAL ECONOMIES
OF SIX
EAST EUROPEAN COUNTRIES



Foreign Agricultural Service
UNITED STATES DEPARTMENT OF AGRICULTURE

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Introductory Note

The following notes on six East European countries, which deal in sharply abbreviated form with the salient features of their agricultural economies, have been prepared by the European Analysis Branch, Foreign Agricultural Service, on the basis of information available as of early 1957.

Since the statistics published by most communist countries are incomplete, often ambiguous or contradictory, few can be taken at face value. Percentage data are often given without the absolute figures needed to calculate these percentages. Some data are given that represent only segments of a total, without specification of this fact (e.g. average yields on a limited numbers of farms, conveying the impression that they refer to all farms). Others are obviously collected on an inadequate basis, giving biased results. Still others are evidently manipulated.

To form a judgment of any segment of the economies of these countries requires, therefore, a good deal of inquiry of the type that may be called "detective economics." Material obtained must be tested for consistency against other material. Technical information destined for other purposes must be checked against general statistics. Comparisons with other countries must be made for perspective. General common sense scrutiny must prevail.

It is for these reasons that any statement on the economic structure or on economic developments in Eastern Europe is largely a matter of judgment. Although in the preparation of the following notes a good effort was made to get at the facts, some doubts must necessarily remain.

Throughout these notes, "arable land" refers to plowland plus vineyards and orchards. It was not possible to give fully comparable figures for tractors per unit of arable or plowland, largely because Poland, Czechoslovakia, Rumania and Bulgaria indicate tractor numbers in terms of 15 h.p. units, whereas Eastern Germany uses 30 h.p. units and Hungary does not specify the unit used. A comparison in terms of actual tractor numbers would be more favorable for Eastern Germany and probably Hungary.

Finally, it should be stated that the concept of so-called "producer cooperatives" or collective farms differs from one country to another. In Poland, East Germany, and Czechoslovakia, the term "collectives", as used here, is largely confined to land that is both collectively owned and operated. In the other three countries, it has been applied to all land that is collectively operated in whole or in part, even if individually owned; such land, together with government-owned land, forms the socialized sector as officially defined.

Bulgaria

1. Farm population. About three-fifths of total population of 7,600,000 (Dec. 1956).
2. Land use. Total area 42,796 square miles, slightly larger than Tennessee. Of total area, arable land about 40 percent; forests about 30 percent; other land, including natural meadows and pastures, about 30 percent. Over three-fifths of plowland under grain.
3. Type of agriculture. Chiefly extensive, with greater emphasis on food crop production than on livestock. Almost 80 percent of the agricultural land (excluding pastures) in socialized sector (75 percent in collectives and 5 percent in state farms and other government enterprises). Farming methods generally primitive. Mechanization has increased, but in 1955 tractors numbered only 1 unit of 15 h.p. per 700 acres of arable land. Fertilizer consumption is said to have increased 50 percent in 1956 compared to 1955, but still amounted to no more than 10 pounds of pure nutrients per acre of plowland.
4. Principal agricultural products. Wheat is principal field crop, covering almost half of grain area. Grapes and plums most important fruit crops. Tobacco main export crop. Attar of roses an important specialty. Livestock products account for only about two-fifths of food output. Sheep and goats provide nearly one-fourth of the meat and nearly two-fifths of the milk produced.
5. Food consumption levels. Average probably close to prewar level of about 2,700 calories per head per day. Grains, especially wheat, account for about three-fourths of calorie intake. Sugar consumption, still low, has increased compared to prewar. Consumption of livestock products also low.
6. Dependence on agricultural imports. Bulgaria was net exporter of food in prewar times, and a major source of Oriental tobacco. Tobacco exports still important, but food imports have exceeded exports in some postwar years. Cotton supplies mostly imported.
7. Trade. About 55 percent of total exports were agricultural in 1955, as compared with about 95 percent before the war; tobacco alone accounted for nearly half of all agricultural exports in 1955. Cotton, wool, and in some years wheat, are principal agricultural imports. Almost 90 percent of Bulgaria's total trade in 1955 was with the Soviet bloc. During the same year the small agricultural exports to the west consisted chiefly of tobacco, eggs, fruits and vegetables; agricultural imports from west were confined mostly to wool.
8. Agricultural policy. Sixty percent socialization of agriculture a goal of first five-year plan (1949-53, but completed 1952). This goal achieved, but production failed to show desired increase. Though complete socialization of national economy aim of second five-year plan (1953-57), drive for socialization of agriculture relaxed during 1953-55, only to be accelerated again in 1956, when 80 percent level reached. But agricultural expansion still remains problem. State presently permitting slightly more individual initiative.

Since 1955, government no longer determines area to be sown to certain crops, or number of livestock to be maintained. Although compulsory deliveries for some products abolished from Jan. 1, 1957, they are retained for more important commodities (wheat, rye, barley, corn, beans, sunflower seed, meat, sheep's milk, and wool). Delivery quotas established according to climate and soil instead of per unit of land as heretofore; some areas will be exempt from deliveries. Contract system will be used for sale of the products freed from compulsory delivery. Members of collectives relieved from compulsory deliveries (except wool) from personal plots and privately owned livestock.

9. Economic situation. Main emphasis during postwar period has been on expansion of industry, especially heavy industry. Published data indicate that by 1955 industrial production may have been as much as four to five times the 1938 level. Severe strain such rapid growth put on Bulgaria's still largely agricultural economy is reflected in stagnation of agriculture and depressed living standards. Further sharp increase in industrial production reportedly took place in 1956. Soviet Union granted long-term loans in February 1956 and another in 1957, and is supplying wheat this season to meet deficit caused by poor 1956 crop.

10. Quantitative controls on U. S. agricultural products. All foreign trade is handled by state trading agencies. Tariff rates and other specific restrictions are of no importance in relation to the complete control and jurisdiction that the authorities have over what and how much to import and from where. Political as well as economic considerations determine whether these controls are exercised to the advantage or disadvantage of U. S. farm products. Most U. S. farm products, if exported to Bulgaria, require an individual U. S. export license.

11. U. S. - Bulgarian trade in calendar 1954 and fiscal 1955-56.

Million dollars

<u>U. S. exports to Bulgaria</u>			<u>U. S. imports from Bulgaria</u>		
	<u>1954</u>	<u>1955-56</u>		<u>1954</u>	<u>1955-56</u>
Agricultural exports	0	0	Rose oil	.19	.28
			Tobacco unmf.	.02	.02
Other	<u>1/</u>	<u>.12</u>	Paprika	.03	<u>1/</u>
			Drugs, herbs, etc.	.01	.02
Grand total	<u>1/</u>	<u>.12</u>	Feathers	-	.03
			Cheese	.02	-
			Other agricultural	<u>.01</u>	<u>-</u>
			Total agricultural	.28	.35
			Other	<u>.04</u>	<u>.13</u>
			Grand total	<u>.32</u>	<u>.48</u>

1/ Less than \$5,000.

Czechoslovakia

1. Farm population. Roughly one-fifth of total population of over 13,200,000 (end 1956).
2. Land use. Total area 49,347 square miles, about the size of New York. Arable land is 41 percent of total area; permanent meadows and pastures 16 percent; forests 33 percent; other land 10 percent. Half of the arable land is under grains.
3. Type of agriculture. Mixed crop and livestock farming. Almost 60 percent of the agricultural land is privately owned, about 10 percent state owned and over 30 percent is collectivized. In 1955, the number of tractors (in 15 h.p. units) amounted to one for about 300 acres of plowland. Total fertilizer consumption in 1956 amounted to about 70 pounds of pure nutrients per acre of arable land.
4. Principal agricultural products. Livestock products account for about three-fifths of food output, milk and pork alone for nearly half. Chief grains: wheat, barley, oats, rye. Potatoes important for both food and feed. Sugar beets also major food crop.
5. Food consumption levels. During the past two years per capita consumption has apparently reached or even exceeded the prewar level of about 2,800 calories per person per day. Grains and potatoes account for more than half of the calorie intake.
6. Dependence on imports of agricultural products. Largely self-sufficient prior to World War II, Czechoslovakia today is heavily dependent on food imports. A large part of its breadgrain requirements, large amounts of feed grains and considerable quantities of meat, butter, fats and oilseeds have to be imported. Czechoslovakia also has to import all of its cotton and large parts of its tobacco and wool requirements. It is a net exporter of sugar.
7. Trade. In 1955, some 70 percent of Czechoslovakia's total foreign trade was with the Soviet bloc countries, 30 percent with the rest of the world. The Soviet Union accounted for 35 percent of the total trade turnover; food-stuffs comprised 28 percent of the imports from the Soviet Union. Agricultural imports from the west in 1955 consisted mainly of cotton, wool, fats, rubber and tobacco; agricultural exports to the west included chiefly sugar and vegetables.
8. Agricultural policy. Complete socialization of agriculture is one of main aims of agricultural policy. This policy, vigorously pursued during most of the period since 1949, led to the socialization of over 40 percent of the farm land by 1956. Compulsory deliveries and strict control over every phase of agricultural production have been somewhat relaxed during the last two years. Farm prices have been increased. Mechanization and increased fertilizer consumption, encouraged in the early postwar years but later neglected, are now again receiving strong governmental support. Extreme labor shortages in agriculture, resulting in large areas of plowland left fallow, are to be overcome by progressive mechanization and attempts to redirect labor into rural areas. The current Five Year Plan envisages a thirty percent increase in the gross volume of agricultural output.

9. Economic situation. One of the few Soviet bloc countries with an advanced industry before World War II, Czechoslovakia since the advent of communism has continued to expand industry with the utmost determination. By 1956, industrial output reportedly was about twice the prewar level. This process, imposing heavy sacrifices upon the people, was nevertheless not so painful as in other communist countries, and living standards in Czechoslovakia are consequently higher than in other Soviet bloc countries.

10. Quantitative controls on U. S. agricultural products. All foreign trade is handled by state trading agencies. Tariff rates and other specific restrictions are of no importance in relation to the complete control and jurisdiction that the authorities have over what and how much to import and from where. Political as well as economic considerations determine whether these controls are exercised to the advantage or disadvantage of U. S. farm products. Most U. S. farm products, if exported to Czechoslovakia, require an individual U. S. export license.

11. U. S. - Czechoslovakian trade in calendar 1954 and fiscal 1955-56.

Million Dollars

U. S. exports to Czechoslovakia

	<u>1954</u>	<u>1955-56</u>
Grains & preparations	<u>1/ .62</u>	<u>.02</u>
Cotton and linters	-	-
Fats, oils, oilseeds	-	-
Tobacco, unmfng.	.20	.03
Fruits, nuts, veg.	.07	-
Dairy products	-	-
Other agricultural	<u>-</u>	<u>.03</u>
Total agricultural	.89	.08
Other	<u>.11</u>	<u>.63</u>
Grand total	<u>1.00</u>	<u>.71</u>

U. S. imports from Czechoslovakia

	<u>1954</u>	<u>1955-56</u>
Canned hams & shoulders	.18	.53
Angora rabbit hair	.16	.26
Feathers	.13	.02
Spices	.04	.01
Beverages	.02	.01
Cheese	<u>2/</u>	.01
Other agricultural	<u>.01</u>	<u>.02</u>
Total agricultural	.54	.86
Other	<u>2.42</u>	<u>3.56</u>
Grand total	<u>2.96</u>	<u>4.42</u>

1/ Largely represents shipments under the Danube Relief Program.

2/ Less than \$5,000.

East Germany (Soviet Zone of Occupation)

1. Farm population. About one-sixth of total population of 18,000,000 (end 1956).
2. Land use. Total area 41,645 square miles, about the size of Tennessee. Of total area, arable land is 48 percent; permanent meadows and pastures 12 percent; forests 27 percent; other land 13 percent. Less than half of the arable land is under grains.
3. Type of agriculture. Diversified; livestock products are major source of income. One-third of the agricultural area is socialized (about 23 percent in collectives and 10 percent in state farms and other public enterprises). Methods of farming are more progressive than in any other communist country, but less efficient than before the war. In 1955, the number of tractors (in 30 h.p. units) amounted to one for about 200 acres of arable land. Total fertilizer consumption amounted in 1954-55 to 130 pounds of pure nutrients per acre of arable land, reportedly equal to prewar, with phosphates still below and potash far above prewar levels.
4. Principal agricultural products. Livestock products account for almost two-thirds of food production; pork and milk together represent more than 75 percent of the value of livestock output. Chief grains: rye, oats, wheat, barley. Potatoes important for both food and feed. Sugar beets also a major food crop.
5. Food consumption levels. Below the prewar level of about 3,000 calories per person per day. Partial rationing is still in force, and the quality of the average diet is lower than before the war. Grains and potatoes now account for more than half of the calorie intake.
6. Dependence on agricultural imports. With population above and food production below prewar levels, East Germany is now heavily dependent on food imports, in contrast to prewar when it had a food export surplus. Except for sugar, of which East Germany is usually a net exporter, the supply of most food products has to be supplemented by imports. All cotton and practically all tobacco supplies must be imported.
7. Trade. In 1955, one-third of all imports represented food products, with grain apparently accounting for more than half of all food imports. Communist bloc countries received 73 percent of all exports and supplied 71 percent of all imports; West Germany accounted for 11 percent of all exports and imports; the rest of the world took 16 percent of all exports and accounted for 18 percent of all imports. Agricultural imports from the west in 1955 consisted chiefly of fats, tobacco and meat; agricultural exports to the west were largely confined to sugar.
8. Agricultural policy. Principal aim is to attain and exceed prewar levels of production within the framework of a socialized agriculture. The socialization policy has been more cautiously implemented since the 1953 revolt. Also obligatory delivery quotas have been decreased since then, and recently control of production on individual farms has been relaxed.

9. Economic situation. Rehabilitation of East Germany's highly developed industry was greatly hampered by the division of Germany which deprived it of its metallurgical basis and its fuel and energy sources. Large reparation payments to Russia also weighed heavily on economic recovery. Nevertheless, gross industrial output in 1955 was said to be twice that achieved in 1936. In recent months, the economic situation has again become strained because of the economic crisis in other Soviet bloc countries on which East Germany depends for certain essential imports.

10. Quantitative controls on U. S. agricultural products. All foreign trade is handled by state trading agencies. Tariff rates and other specific restrictions are of no importance in relation to the complete control and jurisdiction that the authorities have over what and how much to import and from where. Political as well as economic considerations determine whether these controls are exercised to the advantage or disadvantage of U. S. farm products. Most U. S. farm products, if exported to East Germany, require an individual U. S. export license.

11. U. S. - East German trade in calendar 1954 and fiscal 1955-56.

Million Dollars

U. S. exports to East Germany

	<u>1954</u>	<u>1955-56</u>
Grains & preparations	.47	-
Cotton and linters	-	.03
Fats, oils, oilseeds	-	-
Tobacco, unmg.	.03	.08
Fruits, nuts, veg.	-	.17
Dairy products	.06	-
Other agricultural	-	-
Total agricultural	.56	.28
Other	.04	.10
Grand total	.60	.38

U. S. imports from East Germany

	<u>1954</u>	<u>1955-56</u>
Cut flowers	1/	.01
Castor bean pomace	.01	-
Wool	.01	-
Feathers	-	1/
Mushrooms	1/	1/
Bulbs, roots, etc.	-	1/
Other agricultural	1/	-
Total agricultural	.02	.01
Other	4.45	5.92
Grand total	4.47	5.93

1/ Less than \$5,000.

Hungary

1. Farm population. About 43 percent of total population of 9,860,000 (Jan. 1956).
2. Land use. Total area 35,900 square miles, about the size of Indiana. Of total area, arable land is 62 percent; permanent meadows and pastures 16 percent; forest 13 percent; other land 9 percent. Grain covers about two-thirds of the plowland.
3. Type of agriculture. Largely diversified, with somewhat more emphasis on livestock and feed than on food crop production. Farms in main are small and owner-operated, but before uprising in October 1956, about 35 percent of the plowland was socialized, with 14 percent in state and other government farm enterprises, and 21 percent in so-called "producer cooperatives," or collectives. Farming methods are generally backward. Mechanization has increased, but in 1955 tractors numbered only about 1 per 800 acres of arable land. Fertilizer consumption has also increased, but at its peak in 1954 probably amounted to only 12 pounds of pure nutrients per acre of plowland.
4. Principal agricultural products. Livestock products, principally meat, account for more than half of the value of food output. Wheat and corn are by far the most important grains. Production of sugar beets and sunflower seed has been greatly expanded.
5. Food consumption levels. In recent years probably not far short of the prewar average of 2,900 calories per person per day. Diet includes more sugar but less livestock products than before the war. Grains, mostly wheat, provide more than half the calorie intake; including potatoes the proportion is three-fifths.
6. Dependence on imports of agricultural products. Measured in terms of calories, Hungarian food production usually exceeds consumption, but food exports are much smaller than before the war and in some seasons have been outweighed by imports. Tobacco exports also seem to have declined, and to have been exceeded by imports in recent years. Hungary imports all of its cotton and about half of its wool supplies.
7. Trade. Agricultural exports probably accounted no more than one-third of the value of total exports in 1955, compared with 64-68 percent in the last prewar years, when Hungary was among the largest European exporters of wheat, hogs, and lard. Two-thirds of all exports in 1955 went to the Soviet bloc; exports to the west included, among other items, small quantities of agricultural products, mainly livestock products, grains, and vegetables. In the same year, 55 percent of all imports came from the Soviet bloc; agricultural imports from the west consisted chiefly of wheat, cotton, and wool.
8. Agricultural policy. Socialization of agriculture has been the main goal of agricultural policy during most of postwar period, but drive to achieve it was relaxed during July 1953-April 1955, as part of effort to stimulate lagging production. During this period, plowland in socialized sector dropped from 39- to 30 percent of total. New drive begun in April 1955 had increased socialized sector to 35 percent of total plowland by September 1956. During uprising, many production "cooperatives" disbanded; according to official statement, number

declined from 3,907 to 1,720 during October-December 1956. Aim now is to build up "cooperatives" again, but apparently under less coercion than before. Rigid controls over agriculture also relaxed; government has abolished compulsory deliveries, regulations on slaughter and marketing of livestock, and restrictions on sale and transport of agricultural products that had applied until whole village met its delivery and contract obligations. Producers freed also, for time being at least, from production controls. Plans to develop agriculture include new market policies, increased supplies of fertilizer and farm machinery, and expanded agricultural education and extension services. System of Machine Tractor Stations is to be retained.

9. Economic situation. Hungary's postwar economic situation has been characterized by rapid increases in industrial production, which by 1955 was reportedly three to four times the 1938 level; lags in agricultural production; shortages of consumer goods; and mounting inflationary pressures. The sacrifices exacted from the people to rush development of industry, particularly heavy industry, were a major cause of the uprising in October 1956. According to press reports, the 1957 economic plan is to call for less investment in heavy industry, more consumer goods, and a rise in the standard of living. But losses during uprising have complicated the already difficult economic problem. Some foreign aid has recently been obtained in form of credits from Soviet Union, Communist China, and other bloc countries.

10. Quantitative controls on U. S. agricultural products. All foreign trade is handled by state trading agencies. Tariff rates and other specific restrictions are of no importance in relation to the complete control and jurisdiction that the authorities have over what and how much to import and from where. Political as well as economic considerations determine whether these controls are exercised to the advantage or disadvantage of U. S. farm products. Most U. S. farm products, if exported to Hungary, require an individual U. S. export license.

11. U. S. - Hungarian trade in calendar 1954 and fiscal 1955-56.

Million Dollars

<u>U. S. exports to Hungary</u>			<u>U. S. imports from Hungary</u>		
	<u>1954</u>	<u>1955-56</u>		<u>1954</u>	<u>1955-56</u>
Grains & preparations	1.28 1/	.02	Feathers	.17	.39
Fats,oils,oilseeds	.87	.44	Clover seed	-	.16
Fruits,nuts,vegetables	.22	-	Drugs,herbs, etc.	.05	.04
Other agricultural	<u>.11</u>	<u>.06</u>	Paprika	.05	.02
			Wine	.03	.03
			Vegetable oils,misc.	.02	.01
			Other agricultural	<u>.07</u>	<u>.06</u>
Total agricultural	2.48	.52	Total agricultural	.39	.71
Other	<u>2/</u>	<u>.03</u>	Other	<u>.92</u>	<u>.82</u>
Grand total	<u>2.48</u>	<u>.55</u>	Grand total	<u>1.31</u>	<u>1.53</u>

1/ Largely represents shipments under the Danube Relief Program.

2/ Less than \$5,000.

Poland

1. Farm population. More than two-fifths of total population of 28,000,000 (end 1956).
2. Land use. Total area 120,359 square miles, about the size of New Mexico. Arable land 52 percent of total area; permanent meadows and pastures about 13 percent; forests 23 percent; other land 12 percent. About 57 percent of the arable land is in grain, 16 percent in potatoes.
3. Type of agriculture. Mixed crop and livestock farming predominates. By the middle of 1956, about 78 percent of all farm land was privately owned, 12 percent state owned, and about 10 percent collectivized. In consequence of the political changes late in 1956, many collectives have been disbanded. The extent of the reduction in collectively-tilled land is not yet known. Most private farms are very small and badly equipped. Collectives and state farms are rather large, better equipped than private farms, yet inefficient. In 1955, the number of tractors (in 15 h.p. units) amounted to about one for 675 acres of arable land. Total fertilizer consumption in 1955 amounted to 30 pounds of pure nutrients per acre of sown area.
4. Principal agricultural products. Livestock products, principally milk and pork, account for about 64 percent of total food output. Chief grains: rye, oats, wheat barley. Potatoes important for both food and feed. Sugar beets also a major food crop.
5. Food consumption levels. Per capita food supplies appear to be somewhat above old Poland's prewar average of about 2,800 calories per person per day. Grains and potatoes still account for nearly three-fifths of the calorie intake.
6. Dependence on imports. A net exporter of food in prewar times, Poland is now not quite self-sufficient in food: imports of breadgrains and some fats more than offset the calorie value of exports of meat (bacon, hams), sugar and eggs. All cotton and about one-sixth of tobacco supplies come from abroad.
7. Trade. In 1955, food products accounted for 13 percent of the value of all imports, and raw materials of agricultural origin for as much or more. Exports of raw materials of agricultural origin were negligible, but food products accounted for 15 percent of the value of all exports. About 63 percent of the total trade was with the Soviet bloc, and 37 percent with the rest of the world. Wool, rubber, wheat, tobacco, and cotton were the principal agricultural imports from the west, and meat, eggs, sugar and vegetables the principal agricultural exports to the west.
8. Agricultural policy. Increased agricultural production and the socialization of agriculture have been the main aims of governmental policy during most of the postwar period. But low farm prices, deficiencies in the supply of fertilizers and equipment, regimentation, and the attempt to impose collectives upon an unwilling peasantry retarded agricultural progress. Recently important policy changes have been introduced. The material needs of agriculture are to

be better attended, state control over farming is to be relaxed; collectivization has not only been halted, but peasants are free to withdraw from collectives and resume private farming.

9. Economic situation. With rich mineral and industrial resources in the western part of its present day territory, Poland has reportedly been able to quadruple its industrial output (in comparison to Old Poland) and to become an industrial country of significance. However, the rapid pace of industrialization entailed great sacrifices for the consumer and led to economic dislocations and disparities between individual industries. Attempts to put economic policy on a sound basis, involving reductions in the investment sector, meet with great difficulties. Inflationary pressure is mounting, with unfavorable effects on the balance of payments.

10. Quantitative controls on U. S. agricultural products. All foreign trade is handled by state trading agencies. Tariff rates and other specific restrictions are of no importance in relation to the complete control and jurisdiction that the authorities have over what and how much to import and from where. Political as well as economic considerations determine whether these controls are exercised to the advantage or disadvantage of U. S. farm products. Most U. S. farm products, if exported to Poland, require an individual U. S. export license.

11. U. S. - Polish trade in calendar 1954 and fiscal 1955-56.

Million Dollars

<u>U. S. exports to Poland</u>			<u>U. S. imports from Poland</u>		
	<u>1954</u>	<u>1955-56</u>		<u>1954</u>	<u>1955-56</u>
Grains & preparations	-	.2	Canned ham, shoulders	16.1	20.7
Cotton and linters	-	.2	Other pork, prep. or pres.	1.4	2.5
Fats, oils, oilseeds	-	1.3	Feathers	.4	.6
Tobacco, unmfg.	-	-	Bristles	.3	.4
Fruits, nuts, veg.	<u>1/</u>	-	Poppy seed	.3	.4
Dairy products	-	-	Calf skins	.4	.3
Other agricultural	-	<u>1/</u>	Other agricultural	.1	.1
	<hr/>	<hr/>		<hr/>	<hr/>
Total agricultural	<u>1/</u>	1.7	Total agricultural	19.0	25.0
Other	<u>1.5</u>	<u>2.0</u>	Other	<u>2.5</u>	<u>5.2</u>
Grand total	<u>1.5</u>	<u>3.7</u>	Grand total	<u>21.5</u>	<u>30.2</u>

1/ Less than \$5,000.

Rumania

1. Farm population. About three-fifths of total population of 17,500,000 (Feb. 1956).
2. Land use. Total area 91,700 square miles, slightly smaller than Oregon. Of the total area, arable land accounts for about 40 percent; permanent meadows and pastures for about 15 percent; forests for 27 percent; and other land for 18 percent. Grain covers about four-fifths of the plowland.
3. Type of agriculture. Chiefly extensive, with greater emphasis on food crop production than livestock. Farms are predominantly small and owner-operated; at the end of 1956, the socialized sector reportedly accounted for about 31 percent of the arable land (18 percent in collectives and agricultural associations and 13 percent in state farms). Farming methods are primitive. Tractor numbers have increased, but in 1955 totaled only 1 unit of 15 h.p. per 850 acres of arable land. In the same year, fertilizer consumption, in terms of pure nutrients, amounted to less than 10 pounds per acre of plowland.
4. Principal agricultural products. Corn and wheat are the major crops. Both sugar beets and sunflower seeds are far more important than before the war. Little more than two-fifths of the total value of food output comes from livestock products, mainly meat. Sheep and goats contribute substantially to supplies of meat and milk, though less than in Bulgaria.
5. Food consumption levels. In recent years probably close to the prewar average of 2,700 calories per person per day. Consumption of sugar above prewar but still low. Consumption of livestock products also low. Grains supply nearly three-fourths of the calorie intake; although there has been a shift from corn to wheat, corn remains the most important grain in the diet.
6. Dependence on imports of agricultural products. Rumania is nearly always a net exporter of food, though on a smaller scale than in prewar times when the area now within its frontiers ranked among the top three European exporters of corn and wheat. It is probably about self-sufficient in tobacco, but imports most of its cotton supplies.
7. Trade. Agricultural exports are a major source of foreign exchange for Rumania, though their share in total exports may be less than in 1934-37, when grains, legumes, live animals, and other farm products accounted for an average of 44 percent of the value of old Rumania's exports. During first 6 months of 1955, about 70 percent of the volume of imports and exports was with the Soviet bloc, and 30 percent with other countries. During that year, agricultural exports to the west consisted mostly of corn, wheat, oilcakes and other animal feed; agricultural imports from the west were much smaller, and were largely confined to wheat, wool, and cotton.
8. Agricultural policy. Socialization of agriculture is long-term goal, but as in most other satellite countries, pressure to reach it was lessened during 1953-55, in the interest of promoting production. System of compulsory

deliveries at low fixed prices supplemented in 1953 by system of contracts for some products (not including grains), intended to provide incentives to producers to increase output and sales to State. In 1956, socialization drive renewed, compulsory delivery system re-emphasized, and transportation of privately owned produce restricted. Following uprising in Hungary, however, Rumanian government announced decision to replace compulsory delivery system by contract system. Compulsory deliveries abolished effective January 1, 1957, except for wool and for meat produced on all but smallest private farms. At present producers of all other products free to sell to whom they choose, but resale of grain by private persons forbidden. Agricultural taxes and prices of seeds and fertilizers reduced. Socialist sector of agriculture will continue to be emphasized and expanded and is expected by 1960 to furnish 60-70 percent of marketable products.

9. Economic situation. Like other communist countries, Rumania has concentrated heavily on expansion of industry, at cost of retarding agricultural development and holding down living standards. By end of 1956, volume of industrial production was reportedly more than three times 1938 level. According to recent pronouncements, rate of capital investments will be slowed down in 1957, and more emphasis will be placed on agriculture and consumer goods industry. Strain on balance of payments caused by poor 1956 crops will be eased in part at least by long-term loans from Soviet Union, some in form of wheat and fodder.

10. Quantitative controls on U. S. agricultural products. All foreign trade is handled by state trading agencies. Tariff rates and other specific restrictions are of no importance in relation to the complete control and jurisdiction that the authorities have over what and how much to import and from where. Political as well as economic considerations determine whether these controls are exercised to the advantage or disadvantage of U. S. farm products. Most U. S. farm products, if exported to Rumania, require an individual U. S. export license.

11. U. S. - Rumanian trade in calendar 1954 and fiscal 1955-56

Million Dollars

U. S. exports to Rumania

U. S. imports from Rumania

	<u>1954</u>	<u>1955-56</u>		<u>1954</u>	<u>1955-56</u>
Grains & preparations	-	.21	Spices	.17	.03
Fats, oils, & oilseeds	.06	-	Walnuts	.02	.02
Other agricultural	<u>.01</u>	<u>.01</u>	Chicory roots	.07	-
			Mushrooms	-	.02
Total agricultural	.07	.22	Feathers	<u>1/</u>	.01
Other	<u>1/</u>	<u>.23</u>	Drugs, herbs	.01	-
			Other agricultural	<u>.01</u>	<u>-</u>
Grand total	<u>.07</u>	<u>.45</u>	Total agricultural	.28	.08
			Other	<u>.10</u>	<u>.08</u>
			Grand total	<u>.38</u>	<u>.16</u>
1/ Less than \$5,000.					

